

MEDIA RELEASE

For Immediate Release
7-October-2008

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Narragansett Bay Insurance Company Succeeds to Adirondack Insurance New York Homeowners Policies *- Adirondack moves certain risks to Homeowners Specialist -*

Pawtucket, RI – Narragansett Bay Insurance Company announced that it has entered into a renewal rights agreement with Adirondack Insurance Exchange. The agreement involves over 4,500 policies with premiums of approximately \$10 million and will result in the appointment of independent agents who currently service the accounts.

As a specialty underwriter focusing on single-family, owner occupied homes in the Eastern seaboard states, Narragansett Bay has been able to grow its market share through disciplined underwriting and catastrophe risk management.

“The acquisition of the Adirondack policies demonstrates our determination to grow our homeowners business and our ability to add capacity. This has been accomplished by an experienced and disciplined management team backed by some of the best independent insurance agents in the industry,” says Stewart “Nick” H. Steffey, Jr., Chief Executive Officer of Narragansett Bay.

Having emerged from the former Pawtucket Mutual, Narragansett Bay Insurance recently acquired a funding agreement totaling \$200 million from three private equity investors to grow the company’s homeowners business. Backed by highly rated reinsurers, the company has undergone a rigorous examination of its financial security and has received an “A Exceptional” Financial Stability Rating (FSR) by Demotech, Inc., an independent financial analysis and actuarial services firm for property and casualty insurers.

“The depth of analytics that we apply directly to the homeowners market in the Northeast has usually been reserved to more catastrophe prone areas like Florida, Louisiana and California,” explains Mark Talerico, Chief Risk Officer for Narragansett Bay.

Through the application of stochastic simulation models, where different parameters of hurricanes are promulgated through a landscape, Narragansett Bay has the ability to estimate the damage to portfolios. By analyzing the probability distribution of loss, Narragansett Bay is able to determine competitive homeowner’s rates.

Headquartered in Pawtucket, Rhode Island, Narragansett Bay Insurance Company, offers specialty insurance services and products to homeowners through a select network of independent agents along the Eastern seaboard. Narragansett Bay Insurance has been meeting its obligations to its agents, partners, and customers since 1848

Adirondack Insurance Exchange is managed by Adirondack AIF LLC, a member of OneBeacon Insurance Group, a NYSE-traded company with roots dating back to 1831.

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